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WAR FOOD ADMINISTRATION
COMMODITY CREDIT CORPORATION
OFFICE OF SUPPLY
WASHINGTON 25, D. C.

Index:
Storage
Out-of-Condition Stock
June 18, 1945

SHIPPING AND STORAGE BRANCH MEMORANDUM NO. 37.1

Out-of-Condition and Odd-Lot Commodities

I General

A. Effective Date

Effective July 1, 1945, Regional Shipping and Storage Divisions shall be responsible for reconditioning, reconditioning, or the performance of related services on commodities that are out-of-condition. Regional Shipping and Storage Divisions shall work in close collaboration with the Regional Directors and with the Shipping and Storage Branch in Washington in carrying out these activities. Shipping and Storage Branch in Washington shall develop national policy for the performance of these services and shall keep the regional offices fully informed as to this policy at all times.

B. Regional Responsibility

The policy of the Shipping and Storage Branch is to place full responsibility for reconditioning, reconditioning, and related services on the regional Shipping and Storage Division in the region in which the work is to be performed. These Divisions shall be fully responsible for the adequacy of the reconditioning, reconditioning or related work. They shall see that all stocks are periodically examined so that deterioration in packaging or condition of commodity can be discovered at the earliest possible moment. Likewise, they should encourage warehousemen within the region to immediately report to them any signs of commodities going out-of-condition.

When warehouse examiners locate out-of-condition commodities or are assigned to handle these commodities, their job shall not be considered done until those commodities have been completely put in condition, moved to a central point for reconditioning, or otherwise disposed of.

We must follow a vigorous policy to keep our stocks in good condition and to take immediate and decisive action on any stocks not in good condition.

C. Contracts

The policy will be in all cases to negotiate contracts for reconditioning, reconditioning and related services. The regional Shipping and Storage Divisions shall negotiate these contracts after prior consultation with the Regional Director and with Washington Shipping and Storage Branch on services over \$2,500.

D. Orders for Services

When contracts cannot be negotiated, the Regional Shipping and Storage Divisions are authorized to issue Orders for Services up to \$2,500; they must get Washington Shipping and Storage Branch approval on Orders for Services in excess of this amount.

E. Definitions

1. Out-of-Condition. This shall be defined as lots which have been found to be out-of-condition either in packaging or condition of commodity.
2. Odd-Lots. This shall be defined as lots which consist of 75% or less of a minimum car load lot as set forth in ODT regulations. This rule does not apply to commodities purchased in less than car load lots for use on particular programs, such as the Hawaiian.

II Sources of Information on Out-of-Condition and Odd-Lot Commodities

A. Out-of-Condition and Odd-Lots are ascertained from the following sources:

1. Out-of-Condition and/or Odd-Lot Reports, Form CCC-132 (formerly FDI-840) prepared by Warehouse Examiners (Sample copy of Form CCC-132 attached).
2. Telephone, telegraphic or correspondence reports direct from warehouses and others.

B. A determination as to quality and condition on questionable lots will be secured by the Regional Shipping and Storage Divisions when such lots are brought to attention by various branches or offices. This determination is to be ascertained from the following sources:

1. Warehouse Examiners
2. Commodity inspections
3. Direct communication with warehouses and others

III Action by Warehouse Examiner When He Finds Out-of-Condition Lots

A. Segregation of Commodities or Ordering to Central Point.

When a warehouse examiner finds a lot(s) out-of-condition in a warehouse he may request the warehousemen or contractor to segregate the commodities or he may recommend movement of the commodities to a central point for reconditioning. (See paragraph IV.) The commodities may be segregated into one or more of the following groups:

1. Commodity is in good condition and fit for export.
2. Commodity is not fit for export and package or container shows stains, rust or other evidence of deterioration.
3. Commodity is unquestionably unfit for human consumption as the result of extreme deterioration, such as swelling or pin holing of canned goods or water damage or rodent entry in the case of sacked goods. (See paragraph VII on Condemnation of Commodities).

B. Stockpile of Materials

Arrangements will be made to set up at one or more cities within each region a stockpile of materials needed to perform reconditioning, reconditioning, or related services. In case these services are performed in the warehouse and it is economical to do so, the warehouse examiner should requisition from this central stockpile the materials needed to do the particular job. Each regional office will issue instructions to warehouse examiners as to the location of these stockpiles and as to their contents, as well as the procedure for requisitioning.

C. Authority for Warehousemen or Contractor to Perform Work

1. Contracts Preferable to Orders for Services

Where possible, all reconditioning, reconditioning, or related services shall be performed under continuing contracts. Bids need not be obtained on these contracts except where Section 32 commodities are involved and the cost is \$2,000 or more. When a contract has not been negotiated in advance, then an Order for Services must be issued either to the warehouseman or to the contractor.

2. Authority of Warehouse Examiner

Suppose that the commodity to be reconditioned is not one of those to be moved to a central point for reconditioning. When a contract has been negotiated for the performance of work, the warehouse examiner can authorize the performance of work when the cost is \$500 or less. When a contract has not been negotiated, the Warehouse Examiner can issue an Order for Services up to \$500. He must obtain prior approval from the regional office on jobs costing more than \$500.

3. Authority of Regional Shipping and Storage Division

The Regional Shipping and Storage Division can authorize all reconditioning and related work needed on a commodity when the work is done under contract.

4. Authority to be Given Warehousemen or Contractor to Actually Begin Work

The Office of Treasurer will not honor claims from Warehousemen and Contractors for these services after July 1, 1945, unless they are accompanied by properly filled out "Work Order Forms", Form CCC-219. The Warehouse Examiner must issue this form to the Warehouseman or Contractor before the work is started; the form serves as authority to the warehouseman or contractor to begin work. The form must be issued in all cases, whether work is performed under contract or under an Order for Services. Refer to Shipping and Storage Instruction No. 10.2 for full information on the use of Form CCC-219.

D. Recommendation for Commodity Inspection:

When the warehouse examiner finds that there may be a question as to the soundness or quality of the product, he should immediately recommend to the regional office that commodity inspection be made. (See Paragraph V on Requesting Inspections). If possible, the Warehouse Examiner should arrange his schedule so that he can be present at the time inspection is made.)

E. Warehouse Examiner Should Supervise Work

After inspection and insofar as possible, the warehouse examiner should supervise the performance of the reconditioning, reconditionings, or related services to assure that a good job is done and also so that he can certify to the actual performance of the work by the warehousemen or contractor.

F. Stop Orders

Whenever the Warehouse Examiner finds an out-of-condition lot, he should immediately notify the regional Shipping and Storage Division of this fact by wire. The Regional Shipping and Storage Division should "freeze" the lots involved in its records and then notify Storage Division, Washington, so that they can also freeze the lot on their records.

The Warehouse Examiner should also notify the warehouseman not to accept shipping instructions on any lot that is to be segregated and reconditioned in the warehouse. This does not apply of course, if the lot is to be moved to another point for reconditioning or for destruction. Should warehousemen receive a Notice to Deliver after the warehouse examiner has advised him not to accept such shipping instructions, he should immediately telegraph or telephone the person who signed the Notice to Deliver and advise him that the warehouse examiner has declared the commodities out-of-condition.

IV Consolidation of Lots for Reconditioning Purposes

It may be found advantageous to consolidate certain commodity lots in a central point for reconditioning purposes. Shipping and Storage Branch in Washington will keep regional Shipping and Storage Divisions informed on any national plans for such consolidations and the regional Shipping and Storage Divisions will keep the Warehouse Examiners informed on national plans as well as on regional plans for consolidation. Whenever a warehouse examiner finds an out-of-condition commodity that is to be reconditioned in a central point, he shall so inform the regional Shipping and Storage Division on Form CCC-132 (See Paragraph VI on the preparation of this report).

V Requesting Inspection

- A. Requests for commodity inspection shall be made by the Regional Shipping and Storage Division. In emergencies, however, the Chief of the Shipping and Storage Branch may request commodity inspection directly from the commodity branches in Washington. The region affected shall be notified immediately of such a request by teletype.
- B. The regional Shipping and Storage Divisions shall maintain appropriate records of inspections requested.
- C. In cases where in-transit damage is reported to the regional Shipping and Storage Division by warehouses or others, the regional Shipping and Storage Division shall immediately obtain a commodity inspection, where needed, and furnish a copy of the inspection report to the Claims Division in Washington.
- D. Where Commodity Likely to be Sold

When the Regional Shipping and Storage Division has good grounds for believing that the commodity lot in question will be referred to the Sales Branch for sale through commercial channels, they should consult with the regional Sales Division to find out what special items the Sales Division might want included in the inspection for sales purposes. The request for commodity inspection should include these items.

E. Number of Copies of Inspection Reports

The regional Shipping and Storage Division shall obtain four copies of inspection report of certificate. These shall be distributed as follows:

1. One copy Claims Division, Washington.
2. One copy Storage Section, Regional Shipping and Storage Division to support any tickets written.
3. Two copies Storage Section, Regional Shipping and Storage Division for referral to Sales when commodity to be sold.

VI Preparation of Form CCC-132 When Segregation and Reconditioning Complete

- A. After segregation and reconditioning of the lot has been completed, the warehouse examiner shall prepare Form CCC-132 in an original and four copies. He shall send them to the regional Shipping and Storage Division. His report should give full information as to disposition of the lot, including number of units fit for export, number of units reconditioned, and number of units destroyed. Under "Remarks" he should attempt to establish responsibility for the damage.
- B. Distribution of Form CCC-132
 1. The Regional Shipping and Storage Office shall distribute the Form CCC-132 as follows:
 - a. Three copies to Washington
 - (1) 1 copy - For Claims Division
 - (2) 1 copy - For Storage Division
 - (3) 1 copy - For Warehouse Examination Section
 - b. Two copies including the original for the region:
 - (1) Original - For regional Storage Section for preparation of any necessary tickets to adjust the inventory. (See paragraph VII E-1 for preparation of ticket).
 - (2) 1 copy - For regional Warehouse Examination Supervisor.

VII Condemnation of Lots

- A. A Warehouse Examiner has authority to destroy out-of-condition lots under any of the following circumstances:
 1. The lot is obviously unfit for human or animal consumption;
 2. The lot has no salvage value;
 3. The lot is creating a local nuisance and rendering the storage space in which located unfit for other commodities.

4. Lots condemned by Food and Drug Administration or Food Products Inspectors, federal, state, or local.

This authority supercedes the former restriction to \$50.00 for destruction of commodities. Warehouse examiners cannot destroy lots of meat or meat products, however, without a certificate authorizing this action from the Meat Inspection Service.

B. Method of Destruction May Take the Form of:

1. Dumping at sea.
2. Buried and immediately covered.
3. Movement to city incinerator.
4. Movement to a farm for dumping.
5. Movement to a city dump or private dump.
6. Other destruction in accordance with local, state, and federal food and drug or other health laws.

C. Supervision of Destruction

A warehouse examiner or other authorized CCC-OS representative must oversee the destruction of any OS commodities. This is vitally important.

D. Warehouse Examiners Prepare Notification of Condemnation

For any commodity destroyed, the Warehouse Examiner must prepare five copies of the Notification of Condemnation, Form FDA-479. Prepare a separate form for each different commodity and where necessary for each different lot. Give the original copy of the Notification to the Warehouseman and send the others to the Regional Shipping and Storage Division.

E. Handling of Notification of Condemnation in Regional Office

The Regional Warehouse Examination Section will receive four copies of the Notification of Condemnation from the Warehouse Examiner. They will distribute them as follows:

1. Send one copy to regional Storage Section. From the Notification of Condemnation, the regional Storage Section will prepare an order ticket removing the commodity from the inventory and also issue a Notice to Deliver to the warehouseman. Order tickets will be prepared and distributed in the same manner as outlined for Vendor, Warehouse, and Reconsignment tickets, Branch Memoranda Nos. 39.9, 40.1, and 40.2. If ditto facilities are not available, the master ditto ticket should be sent to Washington for duplication. Use Order ticket numbers from the block of ticket numbers assigned to the region for this purpose. Teletype notice will not be necessary on tickets prepared to cover the destruction of commodities. Dittoed

copies of the order ticket will suffice for the purpose of informing Washington such a reduction of inventory.

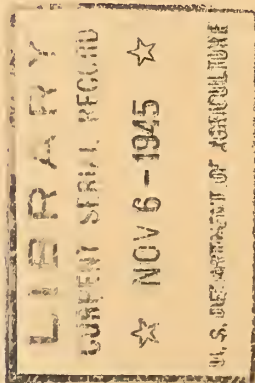
2. Send two copies to Shipping and Storage Branch: one marked for Claims Division and one marked for Storage Division.
3. Retain one copy. This copy should be used as a file copy and also as the basis for preparing periodic reports to the Warehouse Examination Section in Washington covering destruction of commodities.

VIII Odd-Lots

The Regional Shipping and Storage Divisions shall be responsible for: Moving odd-lots at the first opportunity to program or recommending disposal of these lots through sales channels. Warehouse examiners will report odd-lots they find on Form CCC-132 which shall be prepared in an original and four copies. Distribution shall be the same as in the case of the Form CCC-132 prepared for out-of-condition lots.

IX Superseded Memorandum

This memorandum supersedes Shipping and Storage Branch Administrative Notice No. 10, which limited the condemnation of commodity authority to \$50.00.



H. E. ...

Chief, Shipping and Storage Branch

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Index:
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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
WASHINGTON 25, D.C.

SHIPPING AND STORAGE BRANCH MEMORANDUM NO. 37.1 - REV. 2

Out-of-Condition and Odd Lot Commodities

I General

A. Effective Date

Effective immediately, Shipping and Storage Field Offices shall be responsible for reconditioning, reconditioning, or the performance of related services on commodities that are out-of-condition. It is understood that the commodities referred to are those which have been accepted for storage by warehousemen.

Shipping and Storage Field Offices shall work in close collaboration with the Inspection and Maintenance Division, Shipping and Storage Branch, in Washington, in carrying out these activities.

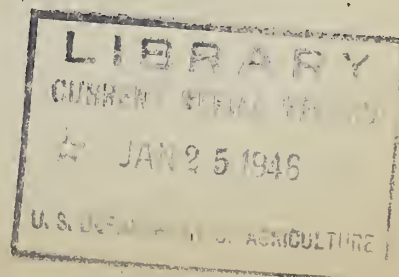
The Inspection and Maintenance Division, Shipping and Storage Branch in Washington shall develop national policy for the performance of these services and shall keep the Shipping and Storage Field Offices fully informed as to this policy at all times.

B. Branch Policy and Shipping and Storage Field Office Responsibility

The policy of the Inspection and Maintenance Division, Shipping and Storage Branch is to place full responsibility for reconditioning, reconditioning, and related services on the Inspection and Maintenance Sections, Shipping and Storage Field Offices in the territory in which the work is to be performed. These Inspection and Maintenance Sections, Shipping and Storage Field Offices shall be fully responsible for the adequacy of the reconditioning, reconditioning or related work. They shall see that all stocks are periodically examined so that deterioration in packaging or condition of commodity can be discovered at the earliest possible moment. Likewise, they should encourage warehousemen within the jurisdiction of the office to immediately report to them any signs of commodities going out-of-condition.

When Warehouse Examiners, Inspection and Maintenance Sections locate out-of-condition commodities or are assigned to handle these commodities, their job shall not be considered done until those commodities

Distribution code "A" and "B"
January 16, 1946



have been completely put in condition, moved to a central point for reconditioning, or are otherwise disposed of.

A vigorous policy will be enforced to keep our stocks in good condition and to take immediate and decisive action on any stocks not in good condition.

C. Contracts

The policy will be wherever possible to negotiate contracts (excluding Order for Services) for reconditioning, reconditioning and related services. The Inspection and Maintenance Sections, Shipping and Storage Field Offices shall negotiate these contracts after prior consultation with the Washington Inspection and Maintenance Division, Shipping and Storage Branch on services over \$2,500.

D. Orders for Services

When contracts cannot be negotiated, the Inspection and Maintenance Sections, Shipping and Storage Field Offices are authorized to issue Orders for Services; they must get Washington Shipping and Storage Branch approval on Orders for Services in excess of \$2,500.

E. Definitions

1. Out-of-Condition. This shall be defined as lots which have been found to be unfit for program use or other disposition in present condition either because of packaging or condition of commodity.
2. Odd-Lots. These shall be defined as lots which consist of 75% or less of a minimum carload lot as set forth in ODT regulations. This rule does not apply to commodities purchased in less than carload lots for use on particular programs, such as the Hawaiian, or full carload lots which are stored for special programs, such as Russian Arctic, or Admiralty Stores and are subsequently ordered out piece-meal so that the lot progressively reduces.

II Sources of Information on Out-of-Condition and Odd-Lot Commodities

A. Information that commodities have gone out-of-condition or that lots have been reduced to the point of constituting odd-lots may be obtained from the following sources:

1. Out-of-Condition and/or Odd-Lot Reports, Form SS-7 (formerly Form PMA-56,) prepared by Warehouse Examiners.

2. Telephone, telegraphic or correspondence reports direct from warehouses and other sources inside or outside the government.

B. When out-of-condition commodities and odd-lots are reported as outlined above, a determination as to quality and condition of such questionable lots will be secured by the Inspection and Maintenance Sections, Shipping and Storage Field Offices from any or several of the following sources:

1. Warehouse Examiners' reports and by direct contact with the Warehouse Examiner examining the questionable lots.
2. Commodity inspection reports prepared by Commodity Branch Inspection Services.
3. Direct contact by telephone, telegram, or letter with warehouses and others having knowledge of questionable lots.

III Action to be Taken When Out-of-Condition Lots are Located

A. When it is determined from the sources outlined in Section II, above, that a lot or lots are "out-of-condition", the Inspection and Maintenance Sections, Shipping and Storage Field Offices will send a Warehouse Examiner to the warehouse and otherwise take the following action:

1. Segregation of Commodities or Ordering to Central Point

The Warehouse Examiner in a warehouse may request the warehousemen or contractor to segregate the commodities or he may recommend movement of the commodities to a central point for reconditioning (see paragraph IV). The commodities may be segregated into one or more of the following groups:

- a. Commodity in good condition and fit for export.
- b. Commodity not fit for export, and for package or container shows stains, rust or other evidence of deterioration.
- c. Fit for animal consumption.
- d. Commodity is unquestionably unfit for human or animal consumption as the result of extreme deterioration, such as swelling or pin-holing of canned goods or water damage or rodent entry in the case of sacked goods (see paragraph VII on Condemnation of Commodities).

2. Stockpile of Materials

Arrangements will be made to set up a stockpile of materials needed to perform reconditioning, reconditioning, or related services in one or more cities within the jurisdiction of each Inspection and Maintenance Section, Shipping and Storage Field Office. In case these services are performed in the warehouse and it is economical to do so, the Warehouse Examiner should requisition from this central stockpile the materials needed to do the particular job. Each Inspection and Maintenance Section, Shipping and Storage Field Office will issue instructions to Warehouse Examiners as to the location of these stockpiles and as to their contents, as well as the procedure for requisitioning.

3. Authority for Warehousemen or Contractor to Perform Work

a. Contracts Preferable to Orders for Services

Where possible, all reconditioning, reconditioning, or related services shall be performed under continuing contracts. Bids need not be obtained on those contracts, except where Section 32 commodities are involved and the cost is \$2,000 or more. When a contract has not been negotiated in advance, then an Order for Services must be issued either to the warehouseman or to other contractor.

b. Authority of Warehouse Examiner

When a contract has been negotiated for the performance of work, the Warehouse Examiner can authorize the performance of work when the cost is \$500 or less. When a contract has not been negotiated, the Warehouse Examiner can issue an Order for Services up to \$500. Prior approval must be obtained from the Shipping and Storage Field Office on jobs costing more than \$500.

This authority applies where the commodity is to be reconditioned but is not to be moved to a central point for reconditioning.

c. Authority of Inspection and Maintenance Sections, Shipping and Storage Field Offices

The Inspection and Maintenance Sections, Shipping and Storage Field Offices can authorize all reconditioning and related work needed on a commodity when the work is done under contract.

d. Authority to be Given Warehousemen or Contractor to Actually Begin Work

The Fiscal Branch will not honor claims from Warehousemen and Contractors for these services after July 1, 1945, unless they are accompanied by properly filled out "Work Order Forms," Form CCC-219. The Warehouse Examiner must issue this form to the Warehouseman or Contractor before the work is started; the form serves as authority to the warehouseman or contractor to begin work. The form must be issued in all cases, whether work is performed under contract or under an Order for Services. (Refer to Shipping and Storage Instruction No. 10.2 for full information on the use of Form CCC-219.)

4. Recommendation for Commodity Inspection

When the Warehouse Examiner finds that there may be a question as to the soundness or quality of the product, he should immediately recommend to the Inspection and Maintenance Section, Shipping and Storage Field Office that a commodity inspection be made. (See paragraph V on Requesting Inspections.) If possible, the Warehouse Examiner should schedule visits to warehouses so that he can be present at the time the inspection is made.

5. Warehouse Examiner Should Supervise Work

Insofar as possible, the Warehouse Examiner should supervise the performance of the reconditioning, reconditioning, segregating or related services to assure that a good job is done, and also, so that he can certify to the actual performance of the work by the warehousemen or contractor.

6. Stop-Orders

Whenever the Warehouse Examiner finds an out-of-condition lot, immediate notification of the fact will be made by wire to the Inspection and Maintenance Sections, Shipping and Storage Field Office. The Inspection and Maintenance Sections will have the Storage Section "freeze" the lots involved in its records until reconditioning has been completed or disposition of the lot has been determined.

The Warehouse Examiner will notify the warehouseman in writing not to accept shipping instructions on any lot that is to be segregated and reconditioned in the warehouse. This does not apply of course, if the lot is to be moved to another point for reconditioning or for destruction.

In case the warehousemen receive a Notice to Deliver after the Warehouse Examiner has advised him not to accept such shipping instructions, he should immediately telegraph or telephone the person issuing the Notice to Deliver and advise him that the Warehouse Examiner has declared the commodity lot or lots out-of-condition.

IV Consolidation of Lots for Reconditioning Purposes

It may be found advantageous to consolidate certain commodity lots in a central point for reconditioning purposes. The Shipping and Storage Branch in Washington will keep the Shipping and Storage Field Offices informed of any national plans for such consolidations and the Inspection and Maintenance Sections, Shipping and Storage Field Offices will keep the Warehouse Examiners informed on national plans as well as on Field Office plans for consolidation.

Whenever a Warehouse Examiner finds an out-of-condition commodity that is to be reconditioned in a central point, he shall so inform the Inspection and Maintenance Sections, Shipping and Storage Field Office on Form SS-7 (formerly PMA-56). (See paragraph VI on the preparation of this report).

V Requesting Inspection

- A. Requests for commodity inspections shall be made by the Chief or Assistant Chief, Shipping and Storage Field Offices to the appropriate Inspection Service Office on Form SS-42 as outlined in PMA Instructions No. (to be issued in the near future).

In emergencies, however, the Director of the Shipping and Storage Branch may request commodity inspections directly from the appropriate Commodity Branch Inspection Service in Washington. In such instances, the Shipping and Storage Field Office affected and the Inspection and Maintenance Division shall be notified immediately of such a request. Notification to the Shipping and Storage Field Office affected will be made by teletype.

- B. The Shipping and Storage Field Offices shall maintain appropriate records of inspections requested.
- C. In cases where in-transit damage is reported to the Shipping and Storage Field Offices by warehouses or other, the Shipping and Storage Field Offices shall immediately request the inspection and notify the Claims Division in Washington of the reported damage.
- D. Where Commodity is Likely to be Sold

When the Inspection and Maintenance Section, Shipping and Storage Field Office has good grounds for believing that the commodity lot in question will be referred for sale through commercial channels,

recommendations will be made to the Inspection and Maintenance Division in Washington by memoranda. All information regarding the commodity will be included in the recommendation and two copies of the inspection report or grading certificate, if any, will be attached. The Inspection and Maintenance Division will determine which part is suitable for program use and refer the balance for sale using the "Referral For Sale" form. (Refer to Shipping and Storage Branch Memorandum No. 36.3).

E. Number of Copies of Inspection Reports

The Shipping and Storage Field Offices shall obtain four copies of inspection report or grading certificate. They shall be distributed as follows:

1. One copy Claims Division, Washington.
2. One copy Storage Section, Shipping and Storage Field Office to support any order ticket to be written.
3. Two copies Inspection and Maintenance Sections, Shipping and Storage Field Offices for attachment to memoranda to Inspection and Maintenance Division in Washington in case it is recommended that the commodity be sold. Otherwise, these copies will be kept in the Inspection and Maintenance Section to support reconditioning or segregation of commodity for disposition purposes.

VI Preparation of Form SS-7 (formerly FMA-56) When Segregation and Reconditioning Completed

- A. After segregation and reconditioning of the lot has been completed, the Warehouse Examiner shall prepare Form SS-7 (formerly FMA-56) in an original and four copies. This form will then be sent to the appropriate Inspection and Maintenance Section, Shipping and Storage Field Office. The report should give full information as to disposition of the lot, including number of units fit for export, number of units reconditioned, and number of units destroyed, etc. Under "Remarks" an attempt should be made to establish responsibility for the damage. That is, Warehouse Examiners should indicate whether deterioration was natural or there are indications of warehouse negligence, or unreported transit damage, or when odd lots occur, reason given by warehouseman if short shipment is responsible, and whether warehouseman notified Shipping and Storage Field Office.
- B. Distribution of Form SS-7 (formerly FMA-56)
 1. The Inspection and Maintenance Section, Shipping and Storage Field Office shall distribute the form SS-7 as follows:

a. Three copies to Washington

- (1) 1 copy - for Claims Division
- (2) 1 copy - for Storage Division
- (3) 1 copy - for Inspection and Maintenance Division

b. Two copies including the original for Shipping and Storage Field Office.

- (1) Original - for Storage Section, Shipping and Storage Field Office for preparation of any necessary order tickets to adjust the inventory. (See paragraph VII - E-1 for preparation of ticket.)
- (2) 1 copy - for Inspection and Maintenance Section, Shipping and Storage Field Office.

VIII Condemnation of Lots

A. The Warehouse Examiner of the Inspection and Maintenance Section, Shipping and Storage Field Office, has authority to destroy out-of-condition lots, the good-condition value of which is not in excess of \$100, under the following circumstances:

1. The lot is obviously unfit for human or animal consumption;
2. The lot has no salvage value;
3. The lot is creating a local nuisance and rendering the storage space in which located unfit for other commodities.
4. The lot is condemned by Food and Drug Administration or Food Products Inspectors, federal, state, or local.

When the commodity lot has a good-condition value of more than \$100, the Warehouse Examiner must secure prior approval of the destruction from the Chief, Inspection and Maintenance Section; such approval, if granted by telephone, must be confirmed in writing. Warehouse Examiners cannot destroy lots of meat or meat products, however, without obtaining a certificate authorizing this action from the Meat Inspection Division of the Livestock Branch.

B. Method of destruction may take the Form of:

1. Dumping at sea.
2. Buried and immediately covered.
3. Movement to city incinerator.
4. Movement to a farm for dumping
5. Movement to a city dump or private dump.
6. Other destruction in accordance with local, state, and federal food and drug or other health laws.

C. Supervision of Destruction

A Warehouse Examiner of the Inspection and Maintenance Section, Shipping and Storage Field Office or other authorized representative of the Production and Marketing Administration must oversee the destruction of any commodity. This is vitally important and must be adhered to in all instances.

D. Warehouse Examiners Prepare Notification of Condemnation

For any commodity which is destroyed, the Warehouse Examiner must prepare five copies of the Notice of Condemnation, Form SS-31 (formerly Form FDA-479). Prepare a separate form for each different lot. Give the original copy of the "Notification" to the Warehouseman and send the other copies to the Inspection and Maintenance Section, Shipping and Storage Field Office. Under "Remarks" the Warehouse Examiners will include a statement as to apparent cause of condemnation and establish responsibility.

E. Handling of Notification of Condemnation in S & S Field Offices

The Inspection and Maintenance Section, Shipping and Storage Field Office will receive four copies of the Notice of Condemnation, Form SS-31, (formerly Form FDA-479,) from the Warehouse Examiner. They will distribute the copies as follows:

1. Send one copy to Storage Section, Shipping and Storage Field Office
 - a. From the "Notice of Condemnation," the Storage Section will prepare an order ticket removing the commodity from the inventory and also issue a Notice to Deliver to the warehouseman. Notice to Deliver will refer to the notification previously issued to the warehouseman.
 - b. Order tickets will be prepared and distributed in the same manner as outlined for Vendor, Warehouse, and Reconsignment Tickets, Branch Memoranda Nos. 39.9, 40.1, and 40.2.
 - c. Use order ticket numbers from the block of ticket numbers assigned to the Shipping and Storage Field Office for this purpose.
 - d. Teletype report of shipment will not be necessary on tickets prepared to cover the destruction of commodities. Dittoed copies of the order ticket will suffice for the purpose of informing Washington of such a reduction in inventory.
2. Send two copies to Shipping and Storage Branch in Washington.

- a. One marked for Claims Division:
- b. One marked for the Inspection and Maintenance Division.
3. Retain one copy in the Inspection and Maintenance Section.
 - a. This copy shall be used as a file copy and also as the basis for preparing periodic reports to the Inspection and Maintenance Division in Washington covering destruction of commodities.

VIII Odd-Lots

- A. The Storage Section and Inspection and Maintenance Section, Shipping and Storage Field Offices shall be responsible for:
 1. Moving odd-lots at the first opportunity to program, wherever possible consolidating odd-lots, or recommending disposal of these lots through sales channels. (See "Referrals For Sale" procedure).
 2. Warehouse Examiners of the Inspection and Maintenance Section will report odd-lots they find on Form SS-7 (formerly PMA-56) which shall be prepared in an original and four copies.
 3. Distribution of these copies shall be the same as in the case of the Form SS-7 (formerly PMA-56) prepared for out-of-condition lots.

IX Superseded Memorandum

This memorandum supersedes Shipping and Storage Branch Memorandum No. 37.1 - Rev. 1, entitled "Out-of-Condition and Odd-Lot Commodities" dated September 7, 1945.

H.O. Warlick

H.O. Warlick, Colonel, G.S.C.
Director, Shipping & Storage Branch

Distribution Codes "A" and "B"
January 16, 1946